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July 18, 2014

Board of Directors
Terre Haute Housing Authority
P.O. Box 3086
One Dreiser Square
Terre Haute, IN 47803

We have reviewed the audit report prepared by Fallon & Larsen, LLP, Independent Public Accountants, for the period October 1, 2010 to September 30, 2011. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountants' opinion, the financial statements included in the report present fairly the financial condition of the Terre Haute Housing Authority, as of September 30, 2011 and the results of its operations for the period then ended, on the basis of accounting described in the report.

The Independent Public Accountants' report is filed with this letter in our office as a matter of public record.

STATE BOARD OF ACCOUNTS

HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION**

YEARS ENDED SEPTEMBER 30, 2011 AND 2010

HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
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YEARS ENDED SEPTEMBER 30, 2011 AND 2010

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INDEPENDENT AUDITOR'S REPORT

The Board of Commissioners
Housing Authority of the City of Terre Haute:

We have audited the accompanying financial statements of the Housing Authority of the City of Terre Haute (the "Authority") as of and for the years ended September 30, 2011 and 2010, as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority of the City of Terre Haute as of September 30, 2011, and the changes in net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2012 on our consideration of the Housing Authority of the City of Terre Haute's internal control over financial reporting and our tests on its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and important for assessing the results of our audits.

INDEPENDENT AUDITOR'S REPORT (continued)

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis contained on pages 3 through 8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historic context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audits were conducted for the purpose of forming an opinion on the financial statements of the Housing Authority of the City of Terre Haute taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the financial statements. The accompanying financial data schedule, schedule of capital fund program costs and advances, and schedule of capital fund stimulus program costs and advances are also not required parts of the financial statements and are presented for the purposes of additional analysis as required by the U.S. Department of Housing and Urban Development. The schedule of federal awards, financial data schedule, schedule of capital fund program costs and advances, and schedule of capital fund stimulus program costs and advances are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

March 15, 2012
Toms River, New Jersey

MANAGEMENT'S DISCUSSION AND ANALYSIS

**Housing Authority of the City of Terre Haute
Management's Discussion and Analysis
September 30, 2011**

The management of the Terre Haute Housing Authority (PHA) offers this narrative overview and analysis of its audited financial statements for the fiscal year ended September 30, 2011. The goal is for the reader to better understand the Authority's financial activities and its overall financial position and to show whether current year revenues covered current year expenses and the extent to which the Authority has invested its capital assets. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements.

Financial reporting is based on the accounting principles for government enterprise funds, which are similar to the accounting principles as established by the Governmental Accounting Standards Board (GASB). Since these are business-type activities the standards of the Financial Accounting Standards Board (FASB) must also be followed except where there is conflict with GASB.

FINANCIAL HIGHLIGHTS:

- The assets of the PHA exceed its liabilities as of September 30, 2011 by \$23,021,296 (Net Assets).
- The PHA's investment in Capital Assets, net of related debt, as of September 30, 2011 was \$17,658,688.
- The PHA's total revenue and contributions for the fiscal year end September 30, 2011 was \$19,004,064.
- The PHA's total expenses for the fiscal year end September 30, 2011 were \$10,384,803

OVERVIEW OF THE FINANCIAL STATEMENTS:

The following financial statements are included in this report:

- Statement of Net Assets – reports the Authority's current financial resources: its cash and other current assets, current and non-current liabilities and comparing those two elements, the resulting net assets of the PHA. A comparison between this year and the preceding year is also provided.
- Statement of Revenue and Expenses and Change in Net Assets – reports the PHA's various revenue and expenses and provides a comparison between this year and the preceding year.
- The Statements of Cash Flows presents relevant information about the Authority's cash receipts and cash payments during the year

**Housing Authority of the City of Terre Haute
Management's Discussion and Analysis
September 30, 2011**

ANALYSIS OF FINANCIAL STATEMENTS:

Statement of Net Assets: September 30, 2011

	2011	2010	Dollar Change
Current and other assets	\$ 5,773,963	\$ 3,067,904	\$2,635,162
Restricted assets	611,692	728,718	(46,129)
Capital assets	<u>18,548,241</u>	<u>12,277,445</u>	<u>6,270,796</u>
Total Assets	<u>\$24,933,896</u>	<u>\$16,074,067</u>	<u>\$8,859,829</u>
Current liabilities	\$ 901,751	\$ 712,326	\$ 146,897
Non-current liabilities	<u>1,010,849</u>	<u>959,706</u>	<u>51,143</u>
Total Liabilities	<u>\$ 1,912,600</u>	<u>\$1,672,032</u>	<u>\$ 198,040</u>
Net Assets			
Invested in capital assets, net of related debt	\$17,658,688	\$11,525,683	\$6,133,005
Restricted for HAP	427,733	517,725	(47,464)
Unrestricted	<u>\$ 4,934,875</u>	<u>\$ 2,358,627</u>	<u>\$2,576,248</u>
Total Net Assets	<u>\$ 23,021,296</u>	<u>\$14,402,035</u>	<u>\$8,661,789</u>

- Current assets increased by \$2,706,059. Bond indentures were paid off and \$1,918,535 was transferred from the Garfield Gardens trust accounts to Garfield Gardens operating reserve.
- Increase in the fixed assets is due to the acquisition of the Deming center and Garfield Gardens with capital asset value on the books of \$5,990,864 as well as fixed asset purchases totaling \$1,075,185.
- Net assets may serve, over time, as a useful indicator of a governmental entity's financial position. As stated in the table above, assets exceeded liabilities by \$23,063,824 at the close of the year ended September 30, 2011, up from \$14,405,035 in 2010. The increase in net assets of \$8,619,261 was due primarily to the increase in capital assets for the year and in particular the incorporation of the Low Income Housing Development Corporation.
- The unrestricted net assets were \$4,934,875 as of September 30, 2011 which represents an increase of \$2,576,248 from the prior year.
- The Authority had \$427,733 of net assets classified as restricted that are subject to external restrictions on how they may be used. The reduction in net restricted assets of \$89,882 from the prior year was caused by a decrease in restricted assets for the Housing Choice Voucher Program.
- For the calendar year 2011, as for calendar year 2010, the administrative fee reimbursement rate is based on the number of units leased as of the last day of each month, extended by the per unit rate established by HUD, and by the HUD pro-ratio to equate expenditures to the total appropriated funds.

**Housing Authority of the City of Terre Haute
Management's Discussion and Analysis
September 30, 2011**

ANALYSIS OF FINANCIAL STATEMENTS (continued):

Statement of Revenues, Expenses, and Changes in Net Assets: September 30, 2011

Revenues and contributions - operating, non-operating and capital

	2011	2010	Dollar Change
Rental revenue	\$ 2,140,929	\$ 1,688,702	\$ 452,227
Fraud recovery revenue	92,320	15,530	76,790
HUD operating grants	7,309,992	7,044,495	265,497
Other governmental grants	658,945	1,067,190	(408,245)
Other income	390,328	217,004	173,324
Capital grants	1,001,038	1,420,707	(419,669)
Capital contributions	7,410,284	-	7,410,284
Investment income	28	236	(208)
Gain (Loss) on sale of fixed assets	200	(18,291)	18,491
	<u>\$ 19,004,064</u>	<u>\$ 11,435,573</u>	<u>\$ 7,568,491</u>

Expenses

Administrative expenses	\$ 1,810,943	\$ 1,449,102	\$ 361,842
Tenant services	215,776	507,928	(292,152)
Utilities	1,007,199	750,975	256,224
Operations and maintenance	1,830,748	1,713,935	116,813
Protective services	109,271	39,071	70,200
Insurance	224,006	205,993	18,013
Other supplies and expenses	564,515	1,126,972	(562,457)
Housing assistance payments	3,732,978	3,544,286	188,692
Depreciation	795,253	778,988	16,265
Casualty losses	56,463	35,615	20,028
Interest expense	37,650	44,753	(7,103)
	<u>\$ 10,384,803</u>	<u>\$ 10,197,618</u>	<u>\$ 187,175</u>

Change in net assets	\$ 8,619,261
Beginning net assets	<u>14,402,035</u>
Ending net assets	<u>\$ 23,021,296</u>

**Housing Authority of the City of Terre Haute
Management's Discussion and Analysis
September 30, 2011**

ANALYSIS OF FINANCIAL STATEMENTS (continued):

- Total revenues and contributions increased by \$7,568,491 compared to Fiscal Year 2010. This is primarily due to the \$7,410,284 capital contribution in connection with the acquisition of the Deming Center and Garfield Gardens.
- Fraud recovery revenue increased \$76,790 due primarily to two factors. The number of individuals in repayment agreements more than doubled from 54 in FY 2010 to 125 in FY 2011. Also, during FY 2011, the case managers began sending out monthly letters requesting payments. The consequence of non-compliance with their agreement is the termination of their voucher.
- The decrease in other supplies and expenses category was primarily caused by fewer payments made for the HPRP program due to lack of qualified participants for the program.
- Total increase in expenses is offset by the increase in the revenues and contributions.
- The increase in utilities is due to the increase in utility rates. It is offset by the decrease in payments in lieu of taxes.
- Housing Assistance Payments (HAP) increased by \$188,692 due to higher voucher lease-up than in the prior fiscal year. Revenues to support this program decreased, so net restricted assets were also used to fund HAP payments for the voucher program. This use of restricted assets caused the reduction in net restricted assets for the PHA's fiscal year ended September 30, 2011.
- The decrease in capital grant spending is due to the fact that most of the Capital Fund Stimulus grant, totaling \$1,420,707, was already exhausted in FY 2010.

CAPITAL ASSETS & LONG - TERM DEBT ACTIVITY DURING THE YEAR:

	2011	2010	Dollar Change
Land	\$ 727,477	\$ 602,478	\$ 124,999
Buildings	37,805,027	30,030,636	7,774,391
Furniture, Equipment & Machinery – Dwellings	208,353	83,593	124,760
Furniture, Equipment & Machinery – Administration	344,565	241,463	103,102
Leasehold Improvements	993,390	922,798	70,592
Accumulated Depreciation	(21,819,483)	(21,024,230)	(795,253)
Construction in Progress	288,912	1,420,707	(1,131,795)
	<u>\$ 18,548,241</u>	<u>\$ 12,277,445</u>	<u>\$ 6,270,796</u>

**Housing Authority of the City of Terre Haute
Management's Discussion and Analysis
September 30, 2011**

CAPITAL ASSETS & LONG-TERM DEBT ACTIVITY DURING THE YEAR (continued):

- Capital Assets – The Terre Haute Housing Authority's capital assets, as of September 30, 2011, totals \$18,548,241 (net of accumulated depreciation). Capital assets include land, buildings, improvements, equipment and construction in progress.
- The total increase in the Authority's capital assets for the current fiscal year was \$6,270,796, in terms of net book value.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT:

This financial report is designed to provide a general overview of the PHA's finances for all interested parties. Questions concerning any of the information provided in this report, or requests for additional information, should be addressed to the Executive Director:

Mr. Jeff Stewart
2001 N. 19th Street
Terre Haute, IN, 47804

FINANCIAL STATEMENTS

HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
STATEMENTS OF NET ASSETS
AS OF SEPTEMBER 30, 2011 AND 2010

		ASSETS	
		<u>2011</u>	<u>2010</u>
Current assets:			
Cash and cash equivalents	\$	5,282,336	\$ 2,504,633
Accounts receivable, net		201,732	335,158
Prepaid expenses and other current assets		214,803	153,913
Inventories		<u>75,092</u>	<u>74,200</u>
Total current assets		<u>5,773,963</u>	<u>3,067,904</u>
Noncurrent assets:			
Restricted cash		611,692	728,718
Capital assets, net		<u>18,548,241</u>	<u>12,277,445</u>
Total noncurrent assets		<u>19,159,933</u>	<u>13,006,163</u>
Total assets	\$	<u>24,933,896</u>	\$ <u>16,074,067</u>
		LIABILITIES	
Current liabilities:			
Accounts payable	\$	242,749	\$ 238,833
Accrued expenses		67,114	16,183
Accrued compensated absences, current		72,903	66,267
Tenant security deposits		223,287	181,603
Deferred revenues		251,144	176,009
Current portion of bonds and notes payable		<u>44,554</u>	<u>33,431</u>
Total current liabilities		<u>901,751</u>	<u>712,326</u>
Noncurrent liabilities:			
Accrued compensated absences, net of current portion		24,419	30,382
Bonds, loans, and notes payable, net of current portion		844,999	718,331
Noncurrent liabilities - other		<u>141,431</u>	<u>210,993</u>
Total noncurrent liabilities		<u>1,010,849</u>	<u>959,706</u>
Total liabilities		<u>1,912,600</u>	<u>1,672,032</u>
		NET ASSETS	
Net assets:			
Invested in capital assets, net		17,658,688	11,525,683
Restricted net assets		427,733	517,725
Unrestricted		<u>4,934,875</u>	<u>2,358,627</u>
Total net assets	\$	<u>23,021,296</u>	\$ <u>14,402,035</u>

See accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
YEARS ENDED SEPTEMBER 30, 2011 AND 2010**

	<u>2011</u>	<u>2010</u>
Operating revenues:		
Tenant revenue	\$ 2,140,929	\$ 1,688,702
HUD operating grants	7,309,992	7,044,495
Other government grants	658,945	1,067,190
Other revenues	<u>482,648</u>	<u>232,534</u>
Total operating revenue	<u>10,592,514</u>	<u>10,032,921</u>
Operating expenses:		
Administrative	1,810,944	1,449,102
Tenant services	215,776	507,928
Utilities	1,007,199	750,975
Ordinary maintenance and operations	1,830,748	1,713,935
Protective services	109,271	39,071
Insurance expense	224,006	205,993
General expenses	424,100	1,066,290
Bad debt expense	140,415	60,682
Housing assistance payments	3,732,978	3,544,286
Depreciation	<u>795,253</u>	<u>778,988</u>
Total operating expenses	<u>10,290,690</u>	<u>10,117,250</u>
Operating income (loss)	<u>301,824</u>	<u>(84,329)</u>
Non-operating revenues (expenses):		
Investment income	28	236
Interest expense	(37,650)	(44,753)
Casualty losses, non-capitalized	(56,463)	(35,615)
Gain (loss) on sale of fixed assets	<u>200</u>	<u>(18,291)</u>
Net non-operating revenue (expense)	<u>(93,885)</u>	<u>(98,423)</u>
Income (Loss) before capital grants and capital contributions	207,939	(182,752)
Capital grants	1,001,038	1,420,707
Capital contributions	<u>7,410,284</u>	<u>-</u>
Change in net assets	8,619,261	1,237,955
Net assets, beginning of year	<u>14,402,035</u>	<u>13,164,080</u>
Net assets, end of year	<u>\$ 23,021,296</u>	<u>\$ 14,402,035</u>

See accompanying notes to financial statements.

HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
Cash Flows from Operating Activities:		
Cash received from tenants and managed properties	\$ 2,732,216	\$ 1,914,602
Cash received from grantors	8,110,543	8,228,350
Cash paid to employees	(1,542,192)	(1,583,346)
Cash paid for suppliers	<u>(8,029,069)</u>	<u>(7,777,738)</u>
Net cash flows provided by operating activities	<u>1,271,498</u>	<u>781,868</u>
Cash Flows from Capital and Financing Activities:		
Purchases of capital assets	(1,075,185)	(1,544,648)
Principal payments on capital debt	(69,670)	(188,705)
Capital grants	1,001,038	1,420,707
Casualty losses	(56,463)	(35,615)
Interest paid on capital debt	(37,650)	(44,753)
Proceeds on acquisition of debt	207,461	-
Proceeds on sale of capital assets	200	-
Proceeds from acquisition	<u>1,419,420</u>	<u>-</u>
Net cash flows provided (used) by capital and related financing activities	<u>1,389,151</u>	<u>(393,014)</u>
Cash Flows from Investing Activities:		
Investment income	<u>28</u>	<u>236</u>
Net cash flows provided by investing activities	<u>28</u>	<u>236</u>
Net increase in cash	2,660,677	389,090
Cash and cash equivalents, beginning of year	<u>3,233,351</u>	<u>2,844,261</u>
Cash and cash equivalents, end of year	<u>\$ 5,894,028</u>	<u>\$ 3,233,351</u>

See accompanying notes to financial statements.

HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2011 AND 2010(continued)

	<u>2011</u>	<u>2010</u>
Reconciliation of operating loss to net cash provided by operating activities:		
Operating income (loss)	\$ 301,824	\$ (84,329)
Items which did not use cash:		
Depreciation	795,253	778,988
Bad debts	140,415	60,682
Working capital changes which provided (used) cash:		
Accounts receivable - HUD and other government	24,787	(104,031)
Accounts receivable - tenants	(107,215)	(83,853)
Accounts receivable - other	75,439	50,432
Prepaid expenses	(60,890)	12,654
Inventories	(892)	25,460
Accounts payable	3,916	(29,853)
Accrued expenses	50,931	(34,123)
Tenant security deposits	41,684	16,537
Accrued compensated absences	673	3,040
Deferred revenue	75,135	170,264
Other liabilities	<u>(69,562)</u>	<u>-</u>
Net cash provided by operating activities	<u>\$ 1,271,498</u>	<u>\$ 781,868</u>
A reconciliation of cash and cash equivalents to Statement of Net Assets is as follows:		
Cash and cash equivalents	\$ 5,282,336	\$ 2,504,633
Restricted cash and cash equivalents	<u>611,692</u>	<u>728,718</u>
	<u>\$ 5,894,028</u>	<u>\$ 3,233,351</u>
Schedule of non-cash capital and related financing activities:		
Capital assets contributed	<u>\$ 5,990,864</u>	<u>\$ -</u>

See accompanying notes to financial statements.

HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011 AND 2010

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

The Housing Authority of the City of Terre Haute ("the Authority") is a governmental, public corporation created under federal and state housing laws for the purpose of engaging in the development, acquisition and administrative activities of the low-income housing program and other programs with similar objectives for low and moderate income families residing in Terre Haute, Indiana. The Authority is responsible for operating certain low-rent housing programs in the City under programs administered by the U.S. Department of Housing and Urban Development ("HUD"). These programs provide housing for eligible families under the United States Housing Act of 1937, as amended.

The Authority is governed by a board of seven members who serve four year terms. The governing board is essentially autonomous but responsible to the United States Department of Housing and Urban Development ("HUD"). An executive director is appointed by the Housing Authority's board to manage the day-to-day operations of the Authority.

The Authority maintains its accounting records by program. A summary of the significant programs operated by the Authority is as follows:

Low Rent Public Housing Program

The public housing program is designed to provide low-cost housing. Under this program, HUD provides funding via an annual contributions contract. These funds, combined with the rental income received from tenants, are available solely to meet the operating expenses of the program.

Housing Assistance Payments Program - Section 8

The Authority administers a program of rental assistance payments to private owners on behalf of eligible low-income families under Section 8 of the Housing and Urban Development Act of 1974. The program provides payments covering the difference between the maximum rent on a dwelling unit, as approved by HUD, and the amount of rent contribution by a participating family.

Public Housing Capital Fund Program

The purpose of the Capital Fund Program is to provide another source of funding to cover the cost of physical and management improvements and rehabilitation on existing low-income housing and improving the central office facilities. Funding for this program is provided by grants from HUD.

American Reinvestment and Recovery Act (ARRA) Grant

The purpose of the ARRA grant is to provide funds for the capital and management activities of Public Housing Agencies as authorized under section 9 of the United States Housing Act of 1937 (42 U.S.C. 1437g) (the "Act"), with the exception that funds cannot be used for operations or rental assistance. The funds shall be awarded by competition for priority investments, including investments that leverage private sector funding or financing for renovations and energy conservation retrofit investments.

HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2011 AND 2010

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Organization (continued)

State and Local Programs

The Authority administers various grants from the State of Indiana and the City of Terre Haute. The activities of state and local grants are reported in this fund. Included in the State and Local Programs is the Housing Opportunities for Persons with Aids/HIV ("HOPWA") the facilitates the acquisition, rehabilitation, or new construction of housing units; costs for facility operations; rental assistance; and short-term payments to prevent homelessness. HOPWA funds also may be used for health care and mental health services, chemical dependency treatment, nutritional services, case management, assistance with daily living, and other supportive services.

Homeless Prevention and Rapid Re-Housing Program

The objectives of the Homelessness Prevention and Rapid Re-Housing Program ("HPRP") are to provide homelessness prevention assistance to households who would otherwise become homeless—many due to the economic crisis—and to provide assistance to rapidly re-house persons who are homeless as defined by Section 103 of the McKinney-Vento Homeless Assistance Act.

B. Reporting Entity

In accordance with statement No. 39 Government Accounting Standards Board ("GASB"), the Authority's financial statements include those of the Housing Authority of the City of Terre Haute and any component units. Component units are legally separate, tax-exempt organizations that meet all of the following criteria:

1. The economic resources received by the separate organization are almost entirely for the direct benefit of the Authority.
2. The Authority has the ability to access a majority of the economic resources held by the separate organization.
3. The economic resources referred to in No. 2 are significant to the Authority.

Based upon the application of these criteria, this report includes the following component unit:

Low Income Housing Development Corporation ("LIHDC")

LIHDC was established on September 8, 2009 to develop, finance, construct, and/or operate three housing projects known as Garfield Gardens, Deming Center, and seven homes through Neighborhood Stabilization Program grants.

LIHDC is a wholly owned not-for-profit subsidiary of the Authority, the Board of Directors of LIHDC is identical to the Authority's Board of Commissioners and the operations of LIHDC are included in the accompanying blended financial statements.

Furthermore, the Authority is not included in any other reporting entity on the basis of such criteria.

HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2011 AND 2010

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Accounting

The Authority's financial statements are prepared in accordance with GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* ("GASB 34"). GASB 34 requires the basic financial statements to be prepared using the economic resources measurement focus and the accrual basis of accounting and requires the presentation of a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Net Assets and Statement of Cash Flows. GASB 34 also requires the Authority to include managements' discussion and analysis as part of the Required Supplemental Information.

The Authority's primary source of non-exchange revenue relates to grants and subsidies. In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*, grant and subsidy revenue are recognized at the time eligible program expenditures occur and/or the Authority has complied with the grant and subsidy requirements.

In accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Activities that Use Proprietary Fund Accounting*, the Authority has elected to apply all Financial Accounting Standards Board pronouncements, Accounting Principles Board Opinions and Accounting Research Bulletins issued that do not conflict with or contradict GASB Pronouncements.

On January 30, 2008, HUD issued *PIH Notice 2008-9* which among other things clarifies HUD's reporting position that unused housing assistance payments ("HAP") under proprietary fund reporting should be reported as restricted net assets, with the associated cash and investments also being reported on HUD's Financial Data Schedule ("FDS") as restricted. Any unused administrative fees should be reported as unrestricted net assets, with the associated assets being reported on the FDS as unrestricted.

Both administrative fee and HAP revenue continue to be recognized under the guidelines set forth in GASB Statement No. 33. Accordingly, both the time and purpose restrictions as defined by GASB 33 are met when these funds are available and measurable, not when these funds are expended. The Housing Choice Voucher program is no longer a cost reimbursement grant, therefore the Authority recognizes unspent administrative fee and HAP revenue in the reporting period as revenue for financial statement reporting.

Any investment income earned on these funds are reflected in the net asset account on which the investment income was earned. That is; investment income earned on HAP cash balances are credited to the HAP restricted net asset account and investment income earned on administrative fee cash balances are credited to the unrestricted net asset account.

HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2011 AND 2010

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Cash and Cash Equivalents

HUD requires that deposits be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Pursuant to HUD restrictions, obligations of the United States are allowed as security for deposits. Obligations furnished as security must be held by the Authority or with an unaffiliated bank or trust company for the account of the Authority.

HUD also requires housing authorities to invest excess funds in obligations of the United States, Certificates of Deposit or any other federally insured investment.

For the statement of cash flows, cash and cash equivalents includes all unrestricted cash balances and highly liquid investments with a maturity of three months or less at the time of purchase.

It is the Authority's policy to maintain collateralization in accordance with HUD requirements.

E. Accounts Receivable

Rents are due from tenants on the first day of each month. As a result, tenants' accounts receivable balances primarily consist of rents past due and vacated tenants. Also included in accounts receivable are those amounts that tenants owe the Authority as payment for committing fraud or misrepresentation. These charges usually consist of retroactive rent and other amounts that may be determined by a formal written agreement or by a court order. An allowance for doubtful accounts is established to provide for all accounts, which may not be collected in the future for any reason. The Authority recognizes a receivable from HUD and other governmental agencies for amounts billed but not received and for amounts unbilled, but earned as of year-end.

F. Prepaid Expenses

Prepaid expenses represent amounts paid as of year-end that will benefit future operations.

G. Inventory

The Authority's inventory is comprised of office supplies and maintenance materials and supplies. Inventory is valued at cost and the Authority uses the first-in, first-out (FIFO) flow assumption in determining cost.

The periodic method is used to record inventory. Under this method, the acquisition of materials and supplies is recorded initially as expenses. Based on a fiscal year-end physical inventory the value of inventory and expenses are adjusted.

HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2011 AND 2010

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Capital Assets

Capital assets are stated at cost. Expenditures for repairs and maintenance are charged directly to expense as they are incurred. Expenditures determined to represent additions or betterments are capitalized. Depreciation is calculated using the straight-line method based on the estimated useful lives of the following asset groups:

- | | |
|---------------------------|--------------|
| • Buildings | 30 Years |
| • Furniture and Equipment | 3 - 10 Years |
| • Infrastructure | 40 Years |

The Authority has established a capitalization threshold of \$1,000.

I. Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation and sick leave computed in accordance with GASB Standards. A liability for compensated absences that is attributable to services already rendered and that are not contingent on a specific event that is outside the control of the Authority and its employees, is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the Authority and its employees are accounted for in the period in which such services are rendered or in which such events take place.

J. Deferred Revenues

The Authority's deferred revenue primarily consists of the prepayment of rent by residents and the receipt of HUD and other grant funding applicable to future periods.

K. Inter-program Receivables and Payables

Inter-program receivables/payables are current, and are the result of the use of the Public Housing Program as the common paymaster for shared costs of the Authority. Cash settlements are made periodically, and all inter-program balances net zero. For reporting purposes, these inter-program receivables and payables are eliminated in the combined financial statement.

HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2011 AND 2010

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Operating Revenues and Expenses

The Authority defines its operating revenues as income derived from charges to residents and others for services provided as well as government subsidies and grants used for operating purposes. Operating expenses are costs incurred in the operation of its program activities to provide services to residents and others. The Authority classifies all other revenues as non-operating.

M. Taxes

The Authority is a unit of local government under Indiana law and is exempt from real estate, sales and income taxes.

N. Use of Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the allowance for doubtful accounts, accrued expenses and other liabilities, depreciable lives of properties and equipment, amortization of leasehold improvements, estimated liability arising from injuries to persons, environmental accrual and contingencies. Actual results could differ significantly from these estimates.

O. Equity Classifications

Equity is classified as net assets and displayed in three components:

Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted net assets - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2011 AND 2010

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. Budgets and Budgetary Accounting

The Authority is required by contractual agreements to adopt annual, appropriated operating budgets for all its Enterprise Funds receiving federal expenditure awards. All budgets are prepared on a HUD basis, which is materially consistent with accounting principles generally accepted in the United States of America. All appropriations lapse at HUD's program year end or at the end of grant periods.

The Public Housing Program prepares its budget annually. The Board of Commissioners adopts the budget through passage of a budget resolution and submits it to HUD at least ninety days prior to the beginning of the program year.

Q. Economic Dependency

The Section 8 and Low Rent Housing programs of the Authority are economically dependent on operating grants and subsidies from HUD. The programs operate at a loss prior to receiving the grants.

NOTE 2. CASH AND CASH EQUIVALENTS

At September 30, 2011 and 2010, the Authority had funds on deposit in checking accounts.

All bank deposits as of the balance sheet date are entirely insured or collateralized by a collateral pool maintained by public depositories as required by Indiana law.

For the fiscal years ended September 30, 2011 and 2010, the carrying amount of the Authority's cash and cash equivalents was \$5,282,336 and \$2,504,633, respectively and the bank balances were \$6,090,469 and \$2,602,753.

Cash and cash equivalents consist of the following:

<u>Cash Category</u>	<u>2011</u>	<u>2010</u>
Unrestricted	\$ 5,059,049	\$ 2,323,030
Tenant security deposits	<u>223,287</u>	<u>181,603</u>
	<u>\$ 5,282,336</u>	<u>\$ 2,504,633</u>

HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2011 AND 2010

NOTE 3. ACCOUNTS RECEIVABLE

Accounts receivable, net consists of the following at June 30, 2011:

<u>Description</u>	<u>2011</u>	<u>2010</u>
Accounts receivable - tenants	\$ 66,073	\$ 62,203
Accounts receivable - HUD	79,244	104,031
Accounts receivable - other	<u>56,415</u>	<u>168,924</u>
Total accounts receivable, net	<u>\$ 201,732</u>	<u>\$ 335,158</u>

A. Accounts Receivable - tenants, net

As of September 30, 2011 and 2010, Accounts Receivable - tenants, net consisted of the following:

<u>Category</u>	<u>2011</u>	<u>2010</u>
Tenant receivables	\$ 75,109	\$ 91,524
Fraud recovery receivables	<u>75,904</u>	<u>26,246</u>
Total tenant receivables	151,013	117,770
Less: allowance for doubtful accounts, tenant receivables	(27,554)	(34,570)
Less: allowance for doubtful accounts, fraud recovery	<u>(57,386)</u>	<u>(20,997)</u>
Accounts receivable - tenants, net	<u>\$ 66,073</u>	<u>\$ 62,203</u>

B. Accounts Receivable - HUD

Accounts receivable - HUD represent amounts due to the Authority for operating and capital grants. The Authority considers these amounts fully collectible and accordingly, have made no allowance for doubtful accounts. As of September 30, 2011 and 2010, HUD accounts receivable consisted of the following:

<u>Description</u>	<u>2011</u>	<u>2010</u>
Capital fund stimulus program expense reimbursement	\$ 67,206	\$ 18,112
Capital fund program expense reimbursement	-	16,000
Low rent public housing subsidy	12,038	68,123
Housing choice voucher administrative fees	<u>-</u>	<u>1,796</u>
	<u>\$ 79,244</u>	<u>\$ 104,031</u>

HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2011 AND 2010

NOTE 3. ACCOUNTS RECEIVABLE (continued)

C. Accounts Receivable - Other

Accounts receivable - other consist of amounts advanced from non-federal funds to other projects to cover operating expenses. As of September 30, 2011 and 2010, other accounts receivable totaled \$56,415 and \$168,924, respectively. The Authority considers these amounts fully collectible and accordingly, have made no allowance for doubtful accounts.

NOTE 4. CAPITAL ASSETS, NET

A summary of the changes in capital assets during September 30, 2011 and 2010 were as follows:

Description	September 30, 2010	Additions	Retirements and other decreases	Transfers	September 30, 2011
Land	\$ 602,478	\$ 124,999	\$ -	\$ -	\$ 727,477
Buildings	30,030,636	6,113,817	-	1,660,574	37,805,027
Furniture and equipment	325,056	227,862	-	-	552,918
Improvements	922,798	116,408	-	(45,816)	993,390
Construction in progress	<u>1,420,707</u>	<u>482,963</u>	<u>-</u>	<u>(1,614,758)</u>	<u>288,912</u>
Total capital assets	33,301,675	7,066,049	-	-	40,367,724
Less: accumulated depreciation	<u>21,024,230</u>	<u>795,253</u>	<u>-</u>	<u>-</u>	<u>21,819,483</u>
Capital assets, net	<u>\$ 12,277,445</u>	<u>\$ 6,270,796</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,548,241</u>

Description	September 30, 2009	Additions	Retirements and other decreases	Transfers	September 30, 2010
Land	\$ 602,478	\$ -	\$ -	\$ -	\$ 602,478
Buildings	29,978,557	54,632	(2,553)	-	30,030,636
Furniture and equipment	295,625	69,309	(39,878)	-	325,056
Improvements	922,798	-	-	-	922,798
Construction in progress	<u>-</u>	<u>1,420,707</u>	<u>-</u>	<u>-</u>	<u>1,420,707</u>
Total capital assets	31,799,458	1,544,648	(42,431)	-	33,301,675
Less: accumulated depreciation	<u>20,269,382</u>	<u>778,988</u>	<u>(24,140)</u>	<u>-</u>	<u>21,024,230</u>
Capital assets, net	<u>\$ 11,530,076</u>	<u>\$ 765,660</u>	<u>\$ (18,291)</u>	<u>\$ -</u>	<u>\$ 12,277,445</u>

HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2011 AND 2010

NOTE 5. RESTRICTED CASH

Restricted cash consists of the following at September 30, 2011 and 2010:

<u>Cash Category</u>	<u>2011</u>	<u>2010</u>
Section 8 HAP Equity	\$ 470,261	\$ 517,725
Family Self Sufficiency Deposits	98,903	210,993
Debt Service Resrve Fund for 1977 Bearer Bonds	<u>42,528</u>	<u>-</u>
	<u>\$ 611,692</u>	<u>\$ 728,718</u>

Housing assistance payment reserves are restricted for use only in the Housing Choice Voucher Program for future housing assistance payments.

Family Self Sufficiency ("FSS") program escrows are restricted for use in the Housing Choice Voucher and Low Rent Public Housing Programs by FSS program participants.

NOTE 6. COMPENSATED ABSENCES

The Authority uses the vesting method for the recording of compensated absences whereas benefits are accrued at the balance sheet date for which payment is probable. Annual Leave with pay shall accrue at the rate of one working day per month for the first five years of service, and one and one quarter days per month thereafter. Annual leave may not be taken in increments of less than one half day. Annual Leave may be carried over into any successive calendar years and may accumulate to a total of 30 days at the end of any calendar year. Accumulated Annual Leave in excess of 30 days is forfeited. Cash payments for accrued annual leave will not be made to current employees but will be made to all employees who separate from service. Annual leave may only be taken at the convenience of the Authority, and requests for annual leave must be submitted for approval by the immediate supervisor as soon as possible. At least three days' notice is preferred.

As of September 30, 2011 and 2010, the Authority had accrued approximately \$97,322 and \$96,649. Compensated absences activity for the year ended September 30, 2011 and 2010 consisted of the following:

	<u>2011</u>	<u>2010</u>
Beginning accrued compensated absences	\$ 96,649	\$ 93,609
Compensated absences expense	99,836	86,032
Redemption of compensated absences	<u>(99,163)</u>	<u>(82,992)</u>
Ending accrued compensated absences	\$ 97,322	\$ 96,649
Less: current portion	<u>72,903</u>	<u>66,267</u>
Accrued compensated absences, noncurrent portion	<u>\$ 24,419</u>	<u>\$ 30,382</u>

HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2011 AND 2010

NOTE 7. OTHER NON-CURRENT LIABILITIES

Other non-current liabilities consist of amounts held in escrow as part of FSS liability program. Activity for the year ended September 30, 2011 and 2010 consisted of the following:

	<u>2011</u>	<u>2010</u>
Beginning FSS escrow liability balance	\$ 210,993	\$ 236,266
Deposits into FSS escrow accounts	-	25,362
Withdrawals from FSS escrow accounts	<u>(69,562)</u>	<u>(50,635)</u>
Ending FSS escrow liability balance	<u>\$ 141,431</u>	<u>\$ 210,993</u>

NOTE 8. LONG TERM DEBT

	<u>2011</u>	<u>2010</u>
Loan from First Financial Bank with interest at 4.36% requiring monthly payments. The loan is secured by property and matures in August 2026.	\$ 417,065	437,863
Loan from First Financial Bank with interest at 4.88% requiring monthly payments. The loan is secured by property and matures in March 2027.	301,201	313,899
Loan from First Financial Bank with interest at 4.75% requiring monthly payments. The loan is secured by property and matures in February 2023.	<u>171,287</u>	<u>-</u>
Total long-term debt	889,553	751,762
Less: current portion	<u>44,554</u>	<u>33,431</u>
Long-term debt excluding current portion	<u>\$ 844,999</u>	<u>\$ 718,331</u>

Annual debt service for principal and interest over the next several years is as follows:

Year	Principal	Interest	Total
2012	44,554	39,694	84,248
2013	49,433	37,435	86,868
2014	51,757	35,111	86,868
2015	54,192	32,676	86,868
2016	56,725	30,143	86,868
2017-2021	326,337	108,004	434,341
2022-2026	278,361	31,477	309,838
2027	<u>28,195</u>	<u>260</u>	<u>28,455</u>
	<u>\$ 889,554</u>	<u>\$ 314,800</u>	<u>\$ 1,204,354</u>

HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2011 AND 2010

NOTE 8. LONG TERM DEBT (continued)

Debt service activity for the year ended September 30, 2011 and 2010 consisted of the following:

Description	September 30, 2010	Advances	Principal Payments	September 30, 2011
First Financial Bank Loan #1	\$ 437,863	\$ -	\$ (20,798)	\$ 417,065
First Financial Bank Loan #2	313,899	-	(12,698)	301,201
7 Houses Loan	<u>-</u>	<u>207,461</u>	<u>(36,174)</u>	<u>171,287</u>
	<u>\$ 751,762</u>	<u>\$ 207,461</u>	<u>\$ (69,670)</u>	<u>\$ 889,553</u>

Description	September 30, 2009	Advances	Principal Payments	September 30, 2010
First Financial Bank Loan #1	\$ 457,770	\$ -	\$ (19,907)	\$ 437,863
First Financial Bank Loan #2	326,988	-	(13,089)	313,899
GE Government Finance Inc.	<u>155,709</u>	<u>-</u>	<u>(155,709)</u>	<u>-</u>
	<u>\$ 940,467</u>	<u>\$ -</u>	<u>\$ (188,705)</u>	<u>\$ 751,762</u>

NOTE 9. PENSION PLAN

The Authority provides pension benefits for all its full-time employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amount contributed to the plan plus investment earnings. Employees who choose to participate can contribute some of their regular wages, on a tax-deferred basis, to their retirement account. Enrollment in the plan occurs once per year, on Oct. 1st. New full time employees who are at least age 20 ½ and have completed at least six months of service as of October 1 will be enrolled in the plan,

Employees may contribute up to the maximum amount allowable by law to the retirement plan. The Housing Authority will contribute an amount equal to 2.5% of the employee's regular wages. Additionally, the Authority will match employee contributions up to 6%.

The Authority's total payroll in fiscal year 2011 was approximately \$1,653,673. The Authority's contributions were calculated using a defined contribution pension plan. For the year ended September 30, 2011, the Authority's portion approximated \$40,000, which has been charged to the employee fringe benefit account.

HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2011 AND 2010

NOTE 10. RESTRICTED NET ASSETS

At September 30, 2011 and 2010 restricted net assets consist of Housing Choice Voucher payment reserves which are restricted for use within the Hosuing Choice Voucher Program for tenant rents.

NOTE 11. ACQUISITIONS

During the year ended September 30, 2011, LIHDC acquired substantially all of the assets and liabilities of Garfield Gardens and the Deming Center. The assets and liabilities were recorded at their fair market value and the resulting equity as it related to each of the housing facilities was recorded as a capital contribution to LIHDC. The contributions attributed to Garfield Gardens and the Deming Center is as follows:

	<u>Amount</u>
Garfield Gardens	\$ 3,744,014
Deming Center	<u>3,666,270</u>
Total contribution	<u>\$ 7,410,284</u>

NOTE 12. LEASING ACTIVITIES

The Authority is the lessor of dwelling units mainly to low-income residents. The rents under the leases are determined generally by the resident's income as adjusted for eligible deductions regulated by HUD, although the resident may opt for a flat rent. Leases may be cancelled by the lessee at any time. The Authority may cancel the lease only for cause.

Revenues associated with these leases are recorded in the financial statements and schedules as "Tenant Revenue". Tenant Revenue per dwelling unit generally remains consistent from year to year, but is affected by general economic conditions which impact personal income and local job availability.

NOTE 13. CONTINGENCIES

The Authority receives financial assistance from HUD in the form of grants and subsidies. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by HUD. As a result of these audits, costs previously reimbursed could be disallowed and require payments to HUD. As of September 30, 2011 and 2010, the Authority estimates that no material liabilities will result from such audits.

HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2011 AND 2010

NOTE 14. RISK MANAGEMENT

Significant losses are covered by commercial insurance for all major programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage except for deductibles for the past three years.

The Authority also participates in a public entity risk pool (Housing Authority's Risk Retention Group). Settled claims resulting from these risks have not exceeded risk pool coverage in any of the past three fiscal years. Rights and responsibilities of the Authority and the pool are contained within the pool agreement and the scope of coverage documents.

NOTE 15. SUBSEQUENT EVENTS

We have evaluated the existence of subsequent events at the Authority for the period September 30, 2011 through March 15, 2012, the day our financial statements were available to be issued.



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Commissioners
Housing Authority of the City of Terre Haute:

We have audited the financial statements of the Housing Authority of the City of Terre Haute (the "Authority") as of and for the year ended September 30, 2011, and have issued our report thereon dated March 15, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS (continued)**

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information of management and the U.S. Department of Housing and Urban Development and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

March 15, 2012
Toms River, New Jersey



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Commissioners
Housing Authority of the City of Terre Haute:

Compliance

We have audited the compliance of the Housing Authority of the City of Terre Haute, (the "Authority") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended September 30, 2011. The Authority's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Authority's compliance with those requirements.

In our opinion, the Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2011.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 (continued)**

Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information of management and the U.S. Department of Housing and Urban Development and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

March 15, 2012
Toms River, New Jersey

SUPPLEMENTARY INFORMATION

**HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED SEPTEMBER 30, 2011**

<u>Federal Grantor / Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Expenditures</u>
U.S. Department of Housing and Urban Development:		
Low Rent Public Housing	14.850	\$ 2,721,244
Public Housing Capital Fund	14.872	373,412
Section 8 Housing Choice Voucher Program	14.871	4,324,825
Formula Capital Fund Stimulus Grant	14.885	270,352
Homelessness Prevention and Rapid Re-Housing	14.257	242,747
Resident Opportunity and Supportive Services	14.870	<u>64,188</u>
		<u>\$ 7,996,768</u>

**HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Housing Authority of the City of Terre Haute and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

NOTE 2. NON-CASH FEDERAL ASSISTANCE

The Authority did not receive any non-cash Federal assistance for the year ended September 30, 2011.

NOTE 3. LOAN GUARANTEES

At September 30, 2011, the Authority is not the guarantor of any loans outstanding.

**HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

I. Summary of Auditor's Results

Financial Statement Section

- | | | |
|----|---|-------------|
| 1. | Type of auditors' report issued | Unqualified |
| 2. | Internal control over financial reporting | |
| | a. Material Weakness(es) identified? | No |
| | b. Were significant deficiencies identified not considered to be material weaknesses? | No |
| 3. | Noncompliance material to the financial statements? | No |

Federal Awards Section

- | | | |
|----|--|-------------|
| 1. | Dollar threshold used to distinguish between Type A and Type B Programs: | \$300,000 |
| 2. | Dollar threshold used to assess Type B Programs: | \$100,000 |
| 3. | Auditee qualified as low-risk Auditee? | No |
| 4. | Type of auditors' report on compliance for major programs: | Unqualified |
| 5. | Internal Control over compliance | |
| | a. Material weakness(es) identified? | No |
| | b. Were significant deficiencies identified not considered to be material weaknesses? | No |
| | c. Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section .510(a)) | No |
| 6. | Identification of major programs: | |

CFDA Number

Name of Federal Program

14.872	Public Housing Capital Fund Program
14.885	Formula Capital Fund Stimulus Program
14.871	Section 8 Housing Choice Voucher Program

**HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

II. Financial Statement Findings

There were no findings relating to the financial statements which are required to be reported in accordance with government auditing standards generally accepted in the United States of America.

III. Federal Award Findings and Questioned Costs

There were no findings or questions costs relating to federal awards.

IV. Summary of Prior Audit Findings

None.

**HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
 SCHEDULE OF CAPITAL FUND PROGRAM COSTS AND ADVANCES
 YEAR ENDED SEPTEMBER 30, 2011**

	<u>501-09</u>
Budget	\$ <u>1,348,962</u>
<u>Advances:</u>	
Cumulative through 9/30/10	\$ -
Current year	<u>389,412</u>
Cumulative through 9/30/11	<u>389,412</u>
<u>Costs:</u>	
Cumulative through 9/30/10	16,000
Current year	<u>373,412</u>
Cumulative through 9/30/11	<u>389,412</u>
Excess / (Deficiency)	\$ <u>-</u>
 <u>Summary</u>	
<u>Soft Costs:</u>	
Cumulative through 9/30/10	\$ -
Current year	<u>100,500</u>
Cumulative through 9/30/11	<u>100,500</u>
<u>Hard Costs:</u>	
Cumulative through 9/30/10	16,000
Current year	<u>272,912</u>
Cumulative through 9/30/11	<u>288,912</u>
Cumulative	\$ <u>389,412</u>

**HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
SCHEDULE OF CAPITAL FUND ARRA STIMULUS
PROGRAM COSTS AND ADVANCES
YEAR ENDED SEPTEMBER 30, 2011**

	<u>ARRA</u>
Budget	\$ <u>1,794,175</u>
<u>Advances:</u>	
Cumulative through 9/30/10	\$ 1,523,823
Current year	<u>203,144</u>
Cumulative through 9/30/11	<u>1,726,967</u>
<u>Costs:</u>	
Cumulative through 9/30/10	1,523,823
Current year	<u>270,352</u>
Cumulative through 9/30/11	<u>1,794,175</u>
Excess / (Deficiency)	\$ <u>(67,208)</u>

Summary

<u>Soft Costs:</u>	
Cumulative through 9/30/10	\$ 119,116
Current year	<u>60,301</u>
Cumulative through 9/30/11	<u>179,417</u>
<u>Hard Costs:</u>	
Cumulative through 9/30/10	1,404,707
Current year	<u>210,051</u>
Cumulative through 9/30/11	<u>1,614,758</u>
Cumulative	\$ <u>1,794,175</u>

Terre Haute Housing Authority												
IN021												
Financial Data Schedule (FDS)												
September 30, 2011												
Line Item #	Account Description	PROJECTS	14.871 Housing Choice Vouchers	2 State/Local	14.870 Resident Opportunity and Support Services	14.885 Formula Capital Fund Stimulus Grant	14.257 Homelessness Prevention and Rapid Re-Housing Program (RAF)	6 Comp Units	COCC	ELIM	TOTAL	
ASSETS:												
CURRENT ASSETS												
Cash:												
111	Cash - unrestricted	\$ 1,703,346	\$ 235,843	\$ -	\$ -	\$ -	\$ 114,907	\$ 2,439,440	\$ 565,513	\$ -	\$ 5,059,049	
112	Cash - restricted - modernization and developmen	-	-	-	-	-	-	-	-	-	-	
113	Cash - other restricted	50,057	519,107	-	-	-	-	42,528	-	-	611,692	
114	Cash - tenant security deposits	187,801	-	-	-	-	-	35,486	-	-	223,287	
115	Cash - restricted for payment of current liabilities	-	-	-	-	-	-	-	-	-	-	
100	Total cash	1,941,204	754,950	-	-	-	114,907	2,517,454	565,513	-	5,894,028	
Accounts and notes receivables:												
121	Accounts receivable - PHA projects	-	-	-	-	-	-	-	-	-	-	
122	Accounts receivable - HUD other projects	79,244	-	-	-	-	-	-	-	-	79,244	
124	Accounts receivable - other governmen	-	-	19,524	-	-	-	25	36,291	-	55,840	
125	Accounts receivable - miscellaneous	-	2,878	-	-	-	-	-	-	-	2,878	
126	Accounts receivable - tenants	67,705	-	-	-	-	-	7,404	-	-	75,109	
126.1	Allowance for doubtful accounts - tenant	(23,215)	-	-	-	-	-	(4,339)	-	-	(27,554)	
126.2	Allowance for doubtful accounts - other	-	(2,303)	-	-	-	-	-	-	-	(2,303)	
127	Notes and mortgages receivable - current	-	-	-	-	-	-	-	-	-	-	
128	Fraud recovery	-	75,904	-	-	-	-	-	-	-	75,904	
128.1	Allowance for doubtful accounts - fraud	-	(57,386)	-	-	-	-	-	-	-	(57,386)	
129	Accrued interest receivable	-	-	-	-	-	-	-	-	-	-	
120	Total receivables, net of allowances for doubtful accounts	123,734	19,093	19,524	-	-	-	3,090	36,291	-	201,732	
Current investments												
131	Investments - unrestricted	-	-	-	-	-	-	-	-	-	-	
132	Investments - restricted	-	-	-	-	-	-	-	-	-	-	
135	Investments - restricted for payment of current liabilit	-	-	-	-	-	-	-	-	-	-	
142	Prepaid expenses and other assets	153,055	6,166	-	-	-	-	32,858	22,724	-	214,803	
143	Inventories	39,318	-	-	-	-	-	3,196	32,578	-	75,092	
143.1	Allowance for obsolete inventories	-	-	-	-	-	-	-	-	-	-	
144	Interprogram - due from	-	-	-	-	-	-	-	-	-	-	
145	Assets held for sale	-	-	-	-	-	-	-	-	-	-	
150	TOTAL CURRENT ASSETS	2,257,311	780,209	19,524	-	-	114,907	2,556,598	657,106	-	6,385,655	
NONCURRENT ASSETS												
Fixed assets:												
161	Land	589,452	-	-	-	-	-	125,000	13,025	-	727,477	
162	Buildings	30,715,366	-	-	-	-	-	5,865,864	1,223,797	-	37,805,027	
163	Furniture, equipment & machinery - dwelling	180,613	-	-	-	-	-	-	27,740	-	208,353	
164	Furniture, equipment & machinery - administratio	185,535	10,288	-	-	-	-	-	148,942	-	344,565	
165	Leasehold improvements	982,586	-	-	-	-	-	-	10,804	-	993,390	
166	Accumulated depreciation	(21,312,754)	(857)	-	-	-	-	(102,381)	(403,491)	-	(21,819,483)	
167	Construction in Progress	288,912	-	-	-	-	-	-	-	-	288,912	
168	Infrastructure	-	-	-	-	-	-	-	-	-	-	
160	Total fixed assets, net of accumulated depreciation	11,629,510	9,431	-	-	-	-	5,888,483	1,020,817	-	18,548,241	
Other non-current assets												
171	Notes and mortgages receivable - non-curren	-	-	-	-	-	-	-	-	-	-	
172	Notes and mortgages receivable-non-current - past du	-	-	-	-	-	-	-	-	-	-	
174	Other assets	-	-	-	-	-	-	-	-	-	-	
175	Undistributed debits	-	-	-	-	-	-	-	-	-	-	
176	Investment in joint venture	-	-	-	-	-	-	-	-	-	-	
180	TOTAL NONCURRENT ASSETS	11,629,510	9,431	-	-	-	-	5,888,483	1,020,817	-	18,548,241	
190	TOTAL ASSETS	\$ 13,886,821	\$ 789,640	\$ 19,524	\$ -	\$ -	\$ 114,907	\$ 8,445,081	\$ 1,677,923	\$ -	\$ 24,933,896	

Terre Haute Housing Authority											
IN021											
Financial Data Schedule (FDS)											
September 30, 2011											
Line Item #	Account Description	PROJECTS	14,871 Housing Choice Vouchers	2 State/Local	14,870 Resident Opportunity and Support Services	14,885 Formula Capital Fund Stimulus Grant	14,257 Homelessness Prevention and Rapid Re-Housing Program (RAF)	6 Comp Units	COCC	ELIM	TOTAL
LIABILITIES AND EQUITY											
Liabilities:											
Current Liabilities:											
311	Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
312	Accounts payable ≤ 90 days	109,010	6,630	470	-	-	-	30,856	1,511	-	148,477
313	Accounts payable > 90 days past due	-	-	-	-	-	-	-	-	-	-
321	Accrued wage/payroll taxes payable	-	-	-	-	-	-	-	18,187	-	18,187
322	Accrued compensated absences - current portior	34,769	8,669	384	-	-	-	2,839	26,242	-	72,903
324	Accrued contingency liability	-	-	-	-	-	-	-	-	-	-
325	Accrued interest payable	-	-	-	-	-	-	-	747	-	747
331	Accounts payable - HUD PHA program	-	-	-	-	-	-	-	-	-	-
332	Accounts payable - PHA projects	-	15	-	-	-	-	-	-	-	15
333	Accounts payable - other governmen	79,387	-	4,127	-	-	-	-	10,743	-	94,257
341	Tenant security deposits	187,801	-	-	-	-	-	35,486	-	-	223,287
342	Deferred revenue	131,845	-	-	-	-	114,907	2,163	2,229	-	251,144
343	Current portion of L-T debt - capital projects	-	-	-	-	-	-	10,756	33,798	-	44,554
344	Current portion of L-T debt - operating borrowing	-	-	-	-	-	-	-	-	-	-
345	Other current liabilities	-	-	-	-	-	-	-	-	-	-
346	Accrued liabilities - other	5,083	-	-	-	-	-	42,893	204	-	48,180
347	Interprogram - due to	-	-	-	-	-	-	-	-	-	-
310	TOTAL CURRENT LIABILITY	547,895	15,314	4,981	-	-	114,907	124,993	93,661	-	901,751
NONCURRENT LIABILITIES											
351	Long-term debt, net of current - capital project	-	-	-	-	-	-	160,531	684,468	-	844,999
352	Long-term debt, net of current - operating borrowing	-	-	-	-	-	-	-	-	-	-
353	Non-current liabilities- other	50,057	91,374	-	-	-	-	-	-	-	141,431
354	Accrued compensated absences - noncurren	16,702	5,625	-	-	-	-	-	2,092	-	24,419
355	Loan Liability - Non Curren	-	-	-	-	-	-	-	-	-	-
356	FASB 5 Liabilities	-	-	-	-	-	-	-	-	-	-
357	Accrued pension and OPEB liabilities	-	-	-	-	-	-	-	-	-	-
350	TOTAL NONCURRENT LIABILITY	66,759	96,999	-	-	-	-	160,531	686,560	-	1,010,849
300	TOTAL LIABILITIES	614,654	112,313	4,981	-	-	114,907	285,524	780,221	-	1,912,600
EQUITY:											
508.1	Invested in Capital Assets, Net of Related Deb	11,629,510	9,431	-	-	-	-	5,717,196	302,551	-	17,658,688
511.1	Restricted Net Assets	-	427,733	-	-	-	-	-	-	-	427,733
512.1	Unrestricted Net Assets	1,642,657	240,163	14,543	-	-	-	2,442,361	595,151	-	4,934,875
513	TOTAL EQUITY	13,272,167	677,327	14,543	-	-	-	8,159,557	897,702	-	23,021,296
600	TOTAL LIABILITIES AND EQUITY	\$ 13,886,821	\$ 789,640	\$ 19,524	\$ -	\$ -	\$ 114,907	\$ 8,445,081	\$ 1,677,923	\$ -	\$ 24,933,896
Proof of concept											

Terre Haute Housing Authority												
IN021												
Financial Data Schedule (FDS)												
September 30, 2011												
Line Item #	Account Description	OPERATING	CAPITAL	14.871 Housing Choice Vouchers	2 State/Local	14.870 Resident Opportunity and Supportive Services	14.885 Formula Capital Fund Stimulus Grant	14.257 Homelessness Prevention and Rapid Re-Housing Program (RAF)	6 Comp Units	COCC	ELIM	TOTAL
	REVENUE:											
70300	Net tenant rental revenue	\$ 1,452,406	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 349,191	\$ -	\$ -	\$ 1,801,597
70400	Tenant revenue - other	321,189	-	-	-	-	-	-	18,143	-	-	339,332
70500	Total tenant revenue	1,773,595	-	-	-	-	-	-	367,334	-	-	2,140,929
70600	HUD PHA grants	2,721,244	100,500	4,121,012	-	64,188	60,301	242,747	-	-	-	7,309,992
70610	Capital grants	-	272,912	-	-	-	210,051	-	7,928,359	-	-	8,411,322
70710	Management fee	-	-	-	-	-	-	-	-	929,166	(929,166)	-
70720	Asset management fee	-	-	-	-	-	-	-	-	103,200	(103,200)	-
70730	Book keeping fee	-	-	-	-	-	-	-	-	152,520	(152,520)	-
70750	Other fees	-	-	-	-	-	-	-	-	3,446	(3,446)	-
70800	Other government grant	-	-	-	100,738	-	-	-	557,012	1,195	-	658,945
71100	Investment income - unrestricted	-	-	-	-	-	-	-	5	-	-	5
71200	Mortgage interest income	-	-	-	-	-	-	-	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-	-	-	-	-
71301	Cost of sale of assets	-	-	-	-	-	-	-	-	-	-	-
71400	Fraud recovery	-	-	92,320	-	-	-	-	-	-	-	92,320
71500	Other revenue	153,598	-	67,818	5,700	-	-	-	42,528	120,684	-	390,328
71600	Gain or loss on sale of fixed assets	-	-	-	-	-	-	-	-	200	-	200
72000	Investment income - restricted	-	-	-	-	-	-	-	23	-	-	23
70000	TOTAL REVENUE	4,648,437	373,412	4,281,150	106,438	64,188	270,352	242,747	8,895,261	1,310,411	(1,188,332)	19,004,064
	EXPENSES:											
	Administrative											
91100	Administrative salaries	240,376	-	161,829	-	46,215	-	32,410	70,444	393,307	-	944,581
91200	Auditing fees	9,201	-	9,720	-	-	-	-	7,500	-	-	26,421
91300	Outside management fee	544,772	100,500	125,100	-	-	60,301	-	98,493	-	(929,166)	-
91310	Book-keeping fee	74,332	-	78,188	-	-	-	-	-	-	(152,520)	-
91400	Advertising and marketing	1,298	-	-	-	-	-	-	230	3,059	-	4,587
91500	Employee benefit contributions- administrative	99,331	-	67,306	-	16,024	-	-	24,051	183,737	-	390,449
91600	Office expenses	43,340	-	12,264	10,778	-	-	11,490	18,380	208,125	-	304,377
91700	Legal expenses	2,998	-	482	-	-	-	-	20,499	28,219	-	52,198
91800	Travel	2,070	-	442	2,300	-	-	220	165	17,275	-	22,472
91810	Allocated overhead	-	-	-	-	-	-	-	-	-	-	-
91900	Other	16,126	-	8,044	881	-	-	-	1,290	39,518	-	65,859
92000	Asset Management Fee	103,200	-	-	-	-	-	-	-	-	(103,200)	-
	Tenant services											
92100	Tenant services - salaries	-	-	3,979	32,745	-	-	-	-	-	-	36,724
92300	Relocation costs	-	-	-	-	-	-	-	-	-	-	-
92300	Employee benefit contributions- tenant service	-	-	2,046	5,354	-	-	-	-	-	-	7,400
92400	Tenant services - other	152,340	-	-	6,295	-	-	-	10,276	2,741	-	171,652

Terre Haute Housing Authority												
IN021												
Financial Data Schedule (FDS)												
September 30, 2011												
Line Item #	Account Description	OPERATING	CAPITAL	14.871 Housing Choice Vouchers	2 State/Local	14.870 Resident Opportunity and Supportive Services	14.885 Formula Capital Fund Stimulus Grant	14.257 Homelessness Prevention and Rapid Re-Housing Program (RAF)	6 Comp Units	COCC	ELIM	TOTAL
	Utilities											
93100	Water	159,290	-	-	-	-	-	-	17,641	1,748	-	178,679
93200	Electricity	282,421	-	-	996	-	-	-	132,573	18,636	-	434,626
93300	Gas	185,076	-	-	-	-	-	-	10,752	6,030	-	201,858
93400	Fuel	-	-	-	-	-	-	-	-	-	-	-
93500	Labor	-	-	-	-	-	-	-	-	-	-	-
93600	Sewer	173,898	-	-	-	-	-	-	17,560	578	-	192,036
93700	Employee benefit contributions- utilities	-	-	-	-	-	-	-	-	-	-	-
93800	Other utilities expense	-	-	-	-	-	-	-	-	-	-	-
	Ordinary maintenance & operation											
94100	Ordinary maintenance and operations - labor	463,794	-	40,218	-	-	-	-	50,825	6,723	-	561,560
94200	Ordinary maintenance and operations - materials & other	493,683	-	2,561	-	-	-	-	20,583	27,358	-	544,185
94300	Ordinary maintenance and operations - contract cost	329,777	-	8,502	-	-	-	-	61,269	39,150	(3,446)	435,252
94500	Employee benefit contributions- ordinary maintenanc	259,119	-	12,186	-	-	-	-	11,216	7,230	-	289,751
	Protective services											
95100	Protective services - labor	-	-	-	-	-	-	-	-	-	-	-
95200	Protective services- other contract costs	96,829	-	-	-	-	-	-	12,330	-	-	109,159
95300	Protective services - other	-	-	-	-	-	-	-	-	112	-	112
95500	Employee benefit contributions- protective services	-	-	-	-	-	-	-	-	-	-	-
	General expenses											
96100	Insurance premium	160,798	-	6,899	-	-	-	-	34,063	22,246	-	224,006
96200	Other general expenses	3	-	3,863	38,184	-	-	198,627	-	4,200	-	244,877
96210	Compensated absences	50,759	-	11,148	-	1,949	-	-	4,888	31,092	-	99,836
96300	Payments in lieu of tax:	79,387	-	-	-	-	-	-	-	-	-	79,387
96400	Bad debt - tenant rents	99,006	-	-	-	-	-	-	4,339	-	-	103,345
96500	Bad debt- mortgages	-	-	-	-	-	-	-	-	-	-	-
96600	Bad debt - other	-	-	37,070	-	-	-	-	-	-	-	37,070
96700	Interest expense	-	-	-	-	-	-	-	3,956	33,694	-	37,650
96710	Amortization of bond issue costs	-	-	-	-	-	-	-	-	-	-	-
96800	Severance expense	-	-	-	-	-	-	-	-	-	-	-
96900	TOTAL OPERATING EXPENSES	4,123,224	100,500	591,847	97,533	64,188	60,301	242,747	633,323	1,074,778	(1,188,332)	5,800,109
97000	EXCESS OPERATING REVENUE OVER OPERATING EXPENSES	525,213	272,912	3,689,303	8,905	-	210,051	-	8,261,938	235,633	-	13,203,955
97100	Extraordinary maintenance	-	-	-	-	-	-	-	-	-	-	-
97200	Casualty losses - non capitalized	56,463	-	-	-	-	-	-	-	-	-	56,463
97300	Housing assistance payment	-	-	3,731,087	-	-	-	-	-	-	-	3,731,087
97350	HAP Portability - in	-	-	1,891	-	-	-	-	-	-	-	1,891
97400	Depreciation expense	637,627	-	857	-	-	-	-	102,381	54,388	-	795,253
97500	Fraud losses	-	-	-	-	-	-	-	-	-	-	-
97800	Dwelling units rent expense	-	-	-	-	-	-	-	-	-	-	-
90000	TOTAL EXPENSES	4,817,314	100,500	4,325,682	97,533	64,188	60,301	242,747	735,704	1,129,166	(1,188,332)	10,384,803

Terre Haute Housing Authority												
IN021												
Financial Data Schedule (FDS)												
September 30, 2011												
Line Item #	Account Description	OPERATING	CAPITAL	14.871 Housing Choice Vouchers	2 State/Local	14.870 Resident Opportunity and Supportive Services	14.885 Formula Capital Fund Stimulus Grant	14.257 Homelessness Prevention and Rapid Re-Housing Program (RAF)	6 Comp Units	COCC	ELIM	TOTAL
OTHER FINANCING SOURCES (USES)												
10010	Operating transfers in	-	-	-	-	-	-	-	-	-	-	-
10020	Operating transfers out	-	-	-	-	-	-	-	-	-	-	-
10030	Operating transfers from/to primary government	-	-	-	-	-	-	-	-	-	-	-
10040	Operating transfers from/to component unit	-	-	-	-	-	-	-	-	-	-	-
10070	Extraordinary items, net gain/loss	-	-	-	-	-	-	-	-	-	-	-
10080	Special items (net gain/loss)	-	-	-	-	-	-	-	-	-	-	-
10091	Inter Project excess cash transfer in	-	-	-	-	-	-	-	-	-	-	-
10092	Inter Project excess cash transfer out	-	-	-	-	-	-	-	-	-	-	-
10093	Transfers between program and project in	-	-	-	-	-	-	-	-	-	-	-
10094	Transfers between program and project out	-	-	-	-	-	-	-	-	-	-	-
10100	TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-	-	-	-	-
10000	EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(168,877)	272,912	(44,532)	8,905	-	210,051	-	8,159,557	181,245	-	8,619,261
MEMO ACCOUNT INFORMATION:												
11020	Required annual debt principal payments	-	-	-	-	-	-	-	-	-	-	-
11030	Beginning equity	12,958,081	-	709,885	5,638	-	-	-	-	728,431	-	14,402,035
11040	Prior period adjustments and equity transfers	482,963	(272,912)	11,974	-	-	(210,051)	-	-	(11,974)	-	-
11170	Administrative fee equity	-	-	-	-	-	-	-	-	-	-	-
11180	Housing assistance payments equity	-	-	-	-	-	-	-	-	-	-	-
11190	Unit months available	10,320	-	10,992	-	-	-	-	1,556	-	-	22,868
11210	Number of unit months leased	9,944	-	10,425	-	-	-	-	1,508	-	-	21,877
Equity Roll Forward Test:												
	Calculation from R/E Statement	\$ 13,272,167	\$ -	\$ 677,327	\$ 14,543	\$ -	\$ -	\$ -	\$ 8,159,557	\$ 897,702	\$ -	\$ 23,021,296
	B/S Line 513	\$ 13,272,167	\$ -	\$ 677,327	\$ 14,543	\$ -	\$ -	\$ -	\$ 8,159,557	\$ 897,702	\$ -	\$ 23,021,296
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -